



2003 Regular Legislative Session Report

Senator Larry Sheahan ■ 9th Legislative District

Dear Friends and Neighbors,

During this budget year, we've had to make some tough decisions about our state's priorities when it comes to taxing, spending, and cutting or expanding programs. We've worked hard to make sure we protect our most vulnerable citizens and help the economy. With so many different opinions about what should be done, we've tried to take everyone's ideas and turn them into a responsible budget that will take us out of the spending hole we currently find ourselves in. I think we've done that, and in the following newsletter I'll go over some of the highlights of the Senate proposed budget.

As a disclaimer, at the time this newsletter was printed, the budget was still being hammered out between the Governor, the Senate and the House. Therefore, some of the policies we've proposed in the Senate are subject to change. However, we're confident that our overall objective will be accomplished and we'll end up with something we are all happy with.

More than anything, we want to create solid programs that will help you. After all, the citizens of Washington are the reason we come to Olympia each year. We know you are concerned about jobs, the economy, health care, your children's education and the future of your families. As the Majority Floor Leader, I've worked hard to make sure these concerns are addressed and that your best interest is served. We're working hard in the Senate to help boost the economy and attract new businesses to our state.

As your senator, I represent you and want to hear your comments and suggestions. Feel free to contact my office in Olympia via the toll-free legislative hotline at 1-800-562-6000.

Sincerely,

Larry Sheahan
9th District Senator

Committee Assignments:

- Majority Floor Leader
- Ways & Means
- Parks, Fish & Wildlife, Vice-chairman
- Agriculture
- Rules

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WSU Vet School Funding Replaced

After a 23-year agreement to send second- and third-year veterinary students to WSU, Oregon State University (OSU) decided to start its own four-year school and take its students back. This meant WSU was in trouble. Along with taking back its 63 students, OSU is also withdrawing \$1.8 million of annual funding support. As part of the Washington-Oregon-Idaho (WOI) Regional Program in Veterinary Medical Education, OSU has been giving WSU this extra funding to help pay professors' salaries, equipment costs, etc. Consequently, WSU will face an annual budget reduction of \$2.4 million.

Without financial help, WSU would see major negative impacts on program quality and sustainability, student access, faculty recruitment and retention, and service to the 8,298 WSU Veterinary School clients. These clients include state and federal wildlife agencies, fish farmers and cattle ranchers.

Jim Zimmerman, representative for Troutlodge, Inc., said that its work with WSU is worth millions to his company, which ships out over 500 million trout eggs a year to 25 states and 35 countries.

"If WSU cuts back on lab services, we will have to look for a different lab, but that virtually isn't available," Zimmerman said. "We would

(continued inside)



Cristina Rubio, a WSU student, at a vet school activity.

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be in a lot of trouble. I don't know where we would go."

WSU would also risk losing its accreditation by the American Veterinary Medical Association Council on Education. Without accreditation, WSU graduates cannot practice veterinary medicine in Washington.

We in the Senate, recognized the severity of this situation. Therefore, we increased the school's funding from the state general fund budgeted by \$979,000 and gave them a total budget increase of \$1.3 million. This money will help replace the funding and students taken from WSU and keep the school at the top of its class.

Our quick action to save WSU shows that even during a year of tough budget decisions, the Senate continues to support our state's higher education programs. In addition, as a WSU graduate, it feels good to help my school in any way I can.

Capital Budget

As you may have heard, this has been one of those hair-pulling budget years. When we talk about the capital budget and the operat-

ing budget, things can get a little confusing. What exactly is the difference between the operating and the capital budgets? In a nutshell, the operating budget deals with programs, and the capital budget deals with the construction and repair of state facilities.

To be more specific, the operating budget covers things like human services, environmental protection and government employees' salaries. The capital budget covers the construction and repair of government offices, prisons, schools, military readiness centers, parks and recreational facilities, etc.

In addition, these two budgets have different funding sources and money cannot be exchanged from one budget to the other. Capital budget funding comes primarily from general obligation bonds (\$966 million in 2001-03), and cash revenues from dedicated accounts. Operating budget funding comes from general state tax revenues, federal funds, dedicated tax and fee revenues and other miscellaneous sources (such as earned interest and lottery receipts).

Senate Operating Budget

I serve on the Senate Ways and Means Committee, which is responsible for the state's operating budget. With a \$2.6 billion deficit, this was a tough year to try to balance our books. However, I'm pleased to announce that the Senate's proposed budget not only doesn't raise taxes but also leaves \$252 million in reserves. The foundation of this sensible budget is living within our means. Just like a family, the state cannot spend more money than it takes in.

Let me go over some of the highlights of this budget. First of all, we made education a priority and raised the funding level for school programs and class size to \$254 per student, instead of the \$220 funded by the governor. We didn't have the funding to raise teachers' salaries across the board, but we did provide raises for teachers and classified staff who have worked seven years or less. We also improved social services and health care by restoring the \$150 million cut by the governor's budget for adult hearing, vision and dental programs. We saved nursing homes and developmentally disabled programs from being cut. And finally, we made sure rural hospitals received the extra funding they need to stay in business.

Restoring the Economy

During these tough economic times, we have done all we can to put some life back into Washington's economy. We know that the best way to help the economy is to help businesses, which in turn boosts employment. To explain this in the simplest terms, here is a list of some of the bills the Senate proposed that will save businesses money and therefore allow them to spend more on employees, benefits, etc.:

Senate Bill 5161 makes the state's ergonomics rule voluntary. This saves employers in Washington up to \$725 million—or roughly \$3,500 per employer—by allowing them to develop their own ergonomics programs rather than adhering to a rigid and costly mandate.

Senate Bill 5378 changes the way workers' compensation is calculat-

WSU and EWU Improvements

This year's capital budget does a good job at helping higher education in the 9th district. We secured a sizable amount of the budget for improvements at Eastern Washington University (EWU) and Washington State University.

Capital budget funding will pay for building improvements in areas such as EWU's infrastructure, visitor center, formal entry, Senior Hall, Cheney Hall, the campus network and the minor works program. Renovations in Cheney Hall — the Computing and Engineering Sciences Building—will allow EWU to open more opportunities for students interested in the high-tech sector.

In addition, WSU will receive funding to expand Cleveland Hall, add a plant bioscience addition to Johnson Hall, and make overall improvements to the campus infrastructure.

College graduates have been facing one of the worst job markets in 20 years. Studies show that last year U.S. employers hired 36 percent fewer new college graduates than the previous year. Recruiters are not visiting colleges like they used to and competition for the limited available jobs is fierce. We will continue to do all we can to keep our schools up-to-date so Washington's students can successfully compete in this tough market.



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ed. This will save \$149.2 million in the employer-funded accident account.

Senate Bill 5271 requires workers to apply for hearing loss “disability payments” within two years of the date of the worker’s exposure. This will save \$228 million in the employer-funded accident account. It also saves homebuilders approximately \$60 per employee per year.

Senate Bill 5728 helps restore access to liability insurance for doctors, contractors, governments and other small and large businesses. This will help keep people in business and reduce unnecessary spending.

Senate Bill 5521 allows insurance carriers to offer more affordable health care packages. This will let them tailor their products to the employers’ and employees’ needs and increase access for small businesses and their employees.

Senate Bill 5363 provides funding for the Community Economic Revitalization Board to finance economic development infrastructure.

Senate Bill 5464 prohibits local B&O tax on intellectual property.

Protecting the Agricultural Economy

One of the things I love about the U.S. is its willingness to help other countries in need. However, if that aid is hurting our farmers back home, it’s time to re-evaluate our actions. That is exactly what I did by proposing Senate Joint Memorial (SJM) 8015, which essentially asks the government not to hurt our wheat farmers while attempting to help others. This happens when large amounts of grain are released suddenly for disaster relief from federally held grain reserves, which then causes a U.S. wheat price depression. As the third highest wheat-producing state, Washington receives a heavy blow when prices are depressed. Through SJM 8015, I sent a clear message to the federal government that we should take better care of our farmers — especially those in Washington state.

Saved Diesel Tax Exemption

This year, we also succeeded in keeping the House from removing the off-road diesel tax exemption. The removal of this exemption would have hurt our farmers by forcing them to pay an additional sales tax of nine cents per gallon. Although this may seem like a small amount, the money adds up quickly when you’re buying fuel to move heavy machinery across a large plot of land. Farmers can now give a sigh of relief to hear they won’t have to pay road taxes on equipment rarely used on the road.

Hospitals

Health care is always a major concern of mine, and I’ve worked this session to help rural hospitals provide better care for their patients. That’s why I proposed an amendment to Senate Bill 5404, increasing the amount of “pro-share” revenues that rural hospital districts retain from \$3.5 million to \$8.7 million. Although this is a significant increase, it still isn’t enough. So, at the time this newsletter was published, I was still working to increase the amount of revenue these hospitals retain.

Rural hospitals are not only smaller, but they generally serve more low-income and Medicare patients than their urban counterparts. These factors cause many rural hospitals to lose money and sometimes even close down. This



Sen Larry Sheahan speaks on the Senate Floor.

in turn hurts rural communities because needed care, services to local businesses and jobs are lost. Without a local hospital, communities also have a harder time attracting new residents and businesses.

The rural hospitals that manage to stay in business struggle to manage costs and risk. Without adequate funding, rural hospitals have a difficult time maintaining high-quality care. For these reasons, we are giving rural hospitals more financial help so their patients receive proper service and the local communities have the economic stability a hospital brings.



The agricultural economy is vital to Eastern Washington.

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Parks

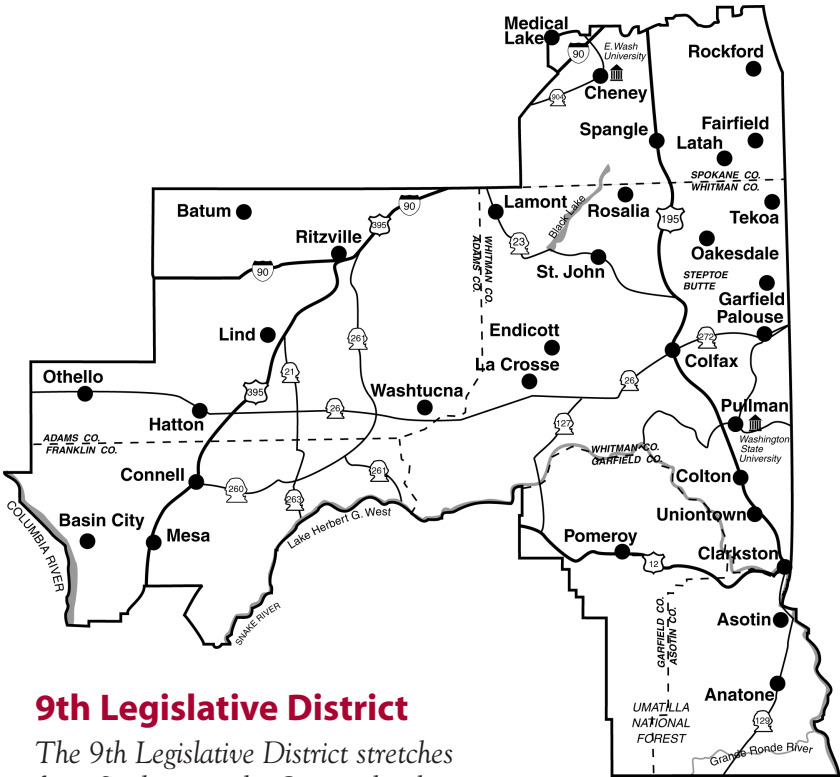
Washingtonians love the outdoors—and I’m no exception. I really enjoy camping and hiking in the great outdoors. So, when I heard that three parks along the lower Snake River were going to close, I felt that something had to be done. Chief Timothy, Lyons Ferry and Central Ferry state parks are favorite spots for trail walking, biking, picnicking, camping, wildlife viewing, fishing, hunting, boating and swimming. More than a quarter million people visit there annually.

Due to budget cuts, the Washington State Parks and Recreation Commission, which had been leasing the parks, announced they would have to return the parks to the Walla Walla U.S. Army Corps of Engineers. With the future of these parks in mind, Sen. Mike Hewitt and I urged district officials to find a new park lessee.

After receiving proposals from eight different organizations, the Army Corps selected Northwest Land Management (NLM) to lease the parks. The lease covers an initial 10-year period with options for as much as 35 years. Outdoor enthusiasts like me will be happy to hear that the parks will open by Memorial Day Weekend. For more information about any of the parks, please call (509) 758-8613.



Visitors at Central Ferry Park enjoy a sunny afternoon in the water.
(photo taken by the Washington State Parks and Recreation Commission)



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The 9th Legislative District stretches from Spokane to the Oregon border.

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